

Commissioner Navarro Issues Statement on Genworth Form A Process

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The Delaware Department of Insurance ("Department") is actively reviewing an Application for the Acquisition of Control of Genworth Life Insurance Company ("GLIC") by China Oceanwide Holdings Group Co., Ltd. and its Affiliates ("China Oceanwide"). An Application for Acquisition of Control is commonly referred to in the regulatory community as a "Form A Application". In the interest of transparency, the Department has outlined its policies and procedures that take place during these reviews.

As the primary domestic regulator for GLIC the Department is performing this review in accordance with Chapter 50 of the Delaware Insurance Code. The Department of Insurance's review under Chapter 50 includes a careful process of analyzing information supplied along with the application, requesting additional information when necessary, and taking all steps the Department deems appropriate to assure that the proposed transaction satisfies the requirements of § 5003A of Chapter 50 of Title 18 of the Delaware Code. Included in that process is the opportunity for the Department to supplement its professionals with outside experts selected to review the differing and unique aspects of each Form A Application. Such supplemental experts frequently include outside actuaries, valuation experts, financial advisors, auditors, accountants, attorneys and investigators.

During the review process, the Department coordinates and communicates with other state, national, and foreign

regulators, whose consent is often necessary for the approval of complex transactions. Should the Department determine that an application is complete and the dictates of Chapter 50 will be met, a public hearing is scheduled and presided over by a hearing officer selected by the Insurance Commissioner ("Commissioner"). Any such public hearing is "noticed" no less than 20 days prior to the date of the Hearing. Notices are publicly available, announced on the Department's website, and published in newspapers. Form A Hearings are conducted in accordance with the dictates of Chapter 50 and further as set forth in the Delaware Administrative Procedures Act contained in Chapter 101 of Title 29 of the Delaware Code. After completion of the public hearing, the appointed hearing officer makes Findings of Fact and Recommended Conclusions of Law. These are submitted to the Commissioner along with a Proposed Order for further review and decision. Only upon the Commissioner's final order may a transaction contemplated in a Form A Application proceed.

The Department regularly reviews and considers the largest and most important insurance transactions both domestically and globally. Accordingly, the Department maintains unparalleled expertise needed to consider these important matters and to process them effectively in order to assure compliance with the letter and spirit of all laws. Vigilant protection of affected policyholders and the public is of utmost importance in these matters. As a usual practice, the Department does not comment on Form A Applications under review and frequently leaves the parties to report publicly, if they choose, on the regulatory process. However, the proposed acquisition of GLIC by China Oceanwide has, understandably, generated much national and international interest, and occasioned many requests for comment by the Department. To avoid any baseless inferences from the Department's customary statement that "we do not comment on pending Applications" Commissioner Navarro offered the following statement:

“The Department of Insurance is reviewing the Application filed by China Oceanwide Holdings and its Affiliates to acquire control of Genworth Life Insurance Company and its Affiliates. As part of the process, the Department has retained and is utilizing several outside experts with specialized expertise on matters involved in the transaction. As a further part of the process, the Department is working with the Applicant and Genworth, to complete its necessary review and determination. The Department is using its specialized expertise and carefully selected consultants to assure that the proposed transaction meets all necessary criteria. The public hearing will be presided over by a hearing officer selected using the above criteria. The Department cannot comment on the timing of any possible public hearing. No inferences should be drawn regarding the stage of the process other than that it will proceed in accordance with the process and law described.”

In this and other such transactions, Commissioner Navarro is required to remain neutral in accordance with Delaware law until final recommendations have been submitted to him by the hearing officer. As such, Commissioner Navarro has delegated Deputy Insurance Commissioner Mitch Crane, Esquire, to oversee all aspects of this transaction. All inquiries, media or otherwise should be directed to Deputy Commissioner Crane at (302) 674-7391 or by email at mitch.crane@delaware.gov.

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The Delaware Department of Insurance protects Delawareans through regulation and education while providing oversight of the insurance industry to best serve the public.

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